

HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR
HOUSE EDUCATION COMMITTEE SUBSTITUTE FOR
HOUSE BILL 573

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49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

AN ACT

RELATING TO THE RETIREMENT OF PUBLIC EMPLOYEES; AMENDING THE
EDUCATIONAL RETIREMENT ACT TO CHANGE RETIREMENT ELIGIBILITY
REQUIREMENTS FOR NEW MEMBERS, TO REQUIRE FINANCIAL TRAINING FOR
BOARD MEMBERS, TO PROVIDE A LIMIT ON THE CALCULATION OF AVERAGE
ANNUAL SALARY TO PROVIDE CONDITIONS FOR ACQUIRING CERTAIN
ALLOWED SERVICE CREDIT AND TO CHANGE THE REQUIREMENTS FOR
RETURNING TO WORK AFTER RETIREMENT; AMENDING THE PUBLIC
EMPLOYEES RETIREMENT ACT TO CHANGE RETIREMENT ELIGIBILITY
REQUIREMENTS FOR NEW MEMBERS, TO REQUIRE FINANCIAL TRAINING FOR
BOARD MEMBERS, TO PROVIDE A LIMIT ON THE CALCULATION OF FINAL
AVERAGE SALARY AND TO ADJUST THE CALCULATION OF SERVICE CREDIT
UNDER CERTAIN RETIREMENT PLANS; AMENDING THE RETIREE HEALTH
CARE ACT TO CLARIFY A CERTAIN DEFINITION, TO INCREASE CERTAIN
CONTRIBUTION RATES FROM CERTAIN MEMBERS AND TO REQUIRE
ADDITIONAL CONTRIBUTIONS FROM EMPLOYEES WHO HAVE ACCRUED

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1 CERTAIN SERVICE CREDITS; CONTINUING A CERTAIN TAX DISTRIBUTION
2 TO THE RETIREE HEALTH CARE FUND; CREATING A TASK FORCE; MAKING
3 AN APPROPRIATION; RECONCILING MULTIPLE AMENDMENTS TO THE SAME
4 SECTIONS OF LAW IN LAWS 2003; DECLARING AN EMERGENCY.

5
6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

7 Section 1. Section 7-1-6.56 NMSA 1978 (being Laws 2007,
8 Chapter 168, Section 1) is amended to read:

9 "7-1-6.56. DISTRIBUTION--RETIREE HEALTH CARE FUND.--In
10 addition to the distribution made pursuant to Section 7-1-6.30
11 NMSA 1978, [~~for the period beginning July 1, 2007 and ending~~
12 ~~June 30, 2010~~] a distribution pursuant to Section 7-1-6.1 NMSA
13 1978 shall be made to the retiree health care fund in the
14 amount of two hundred fifty thousand dollars (\$250,000)."

15 Section 2. Section 10-7C-4 NMSA 1978 (being Laws 1990,
16 Chapter 6, Section 4, as amended) is amended to read:

17 "10-7C-4. DEFINITIONS.--As used in the Retiree Health
18 Care Act:

19 A. "active employee" means an employee of a public
20 institution or any other public employer participating in
21 either the Educational Retirement Act, the Public Employees
22 Retirement Act, the Judicial Retirement Act, the Magistrate
23 Retirement Act or the Public Employees Retirement Reciprocity
24 Act or an employee of an independent public employer;

25 B. "authority" means the retiree health care

1 authority created pursuant to the Retiree Health Care Act;

2 C. "basic plan of benefits" means only those
3 coverages generally associated with a medical plan of benefits;

4 D. "board" means the board of the retiree health
5 care authority;

6 E. "current retiree" means an eligible retiree who
7 is receiving a disability or normal retirement benefit under
8 the Educational Retirement Act, the Public Employees Retirement
9 Act, the Judicial Retirement Act, the Magistrate Retirement
10 Act, the Public Employees Retirement Reciprocity Act or the
11 retirement program of an independent public employer on or
12 before July 1, 1990;

13 F. "eligible dependent" means a person obtaining
14 retiree health care coverage based upon that person's
15 relationship to an eligible retiree as follows:

16 (1) a spouse;

17 (2) an unmarried child under the age of
18 nineteen who is:

19 (a) a natural child;

20 (b) a legally adopted child;

21 (c) a stepchild living in the same
22 household who is primarily dependent on the eligible retiree
23 for maintenance and support;

24 (d) a child for whom the eligible
25 retiree is the legal guardian and who is primarily dependent on

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underscoring material = new
~~[bracketed material] = delete~~

1 the eligible retiree for maintenance and support, as long as
2 evidence of the guardianship is evidenced in a court order or
3 decree; or

4 (e) a foster child living in the same
5 household;

6 (3) a child described in Subparagraphs (a)
7 through (e) of Paragraph (2) of this subsection who is between
8 the ages of nineteen and twenty-five and is a full-time student
9 at an accredited educational institution; provided that
10 "full-time student" shall be a student enrolled in and taking
11 twelve or more semester hours or its equivalent contact hours
12 in primary, secondary, undergraduate or vocational school or a
13 student enrolled in and taking nine or more semester hours or
14 its equivalent contact hours in graduate school;

15 (4) a dependent child over nineteen who is
16 wholly dependent on the eligible retiree for maintenance and
17 support and who is incapable of self-sustaining employment by
18 reason of mental retardation or physical handicap; provided
19 that proof of incapacity and dependency shall be provided
20 within thirty-one days after the child reaches the limiting age
21 and at such times thereafter as may be required by the board;

22 (5) a surviving spouse defined as follows:

23 (a) "surviving spouse" means the spouse
24 to whom a retiree was married at the time of death; or

25 (b) "surviving spouse" means the spouse

1 to whom a deceased vested active employee was married at the
2 time of death; or

3 (6) a surviving dependent child who is the
4 dependent child of a deceased eligible retiree whose other
5 parent is also deceased;

6 G. "eligible employer" means either:

7 (1) a "retirement system employer", which
8 means an institution of higher education, a school district or
9 other entity participating in the public school insurance
10 authority, a state agency, state court, magistrate court,
11 municipality, county or public entity, each of which is
12 affiliated under or covered by the Educational Retirement Act,
13 the Public Employees Retirement Act, the Judicial Retirement
14 Act, the Magistrate Retirement Act or the Public Employees
15 Retirement Reciprocity Act; or

16 (2) an "independent public employer", which
17 means a municipality, county or public entity that is not a
18 retirement system employer;

19 H. "eligible retiree" means:

20 (1) a "nonsalaried eligible participating
21 entity governing authority member", which means a person who is
22 not a retiree and who:

23 (a) has served without salary as a
24 member of the governing authority of an employer eligible to
25 participate in the benefits of the Retiree Health Care Act and

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1 is certified to be such by the executive director of the public
2 school insurance authority;

3 (b) has maintained group health
4 insurance coverage through that member's governing authority if
5 such group health insurance coverage was available and offered
6 to the member during the member's service as a member of the
7 governing authority; and

8 (c) was participating in the group
9 health insurance program under the Retiree Health Care Act
10 prior to July 1, 1993; or

11 (d) notwithstanding the provisions of
12 Subparagraphs (b) and (c) of this paragraph, is eligible under
13 Subparagraph (a) of this paragraph and has applied before
14 August 1, 1993 to the authority to participate in the program;

15 (2) a "salaried eligible participating entity
16 governing authority member", which means a person who is not a
17 retiree and who:

18 (a) has served with salary as a member
19 of the governing authority of an employer eligible to
20 participate in the benefits of the Retiree Health Care Act;

21 (b) has maintained group health
22 insurance through that member's governing authority, if such
23 group health insurance was available and offered to the member
24 during the member's service as a member of the governing
25 authority; and

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1 (c) was participating in the group
2 health insurance program under the Retiree Health Care Act
3 prior to July 1, 1993; or

4 (d) notwithstanding the provisions of
5 Subparagraphs (b) and (c) of this paragraph, is eligible under
6 Subparagraph (a) of this paragraph and has applied before
7 August 1, 1993 to the authority to participate in the program;

8 (3) an "eligible participating retiree", which
9 means a person who:

10 (a) falls within the definition of a
11 retiree, has made contributions to the fund for at least five
12 years prior to retirement and whose eligible employer during
13 that period of time made contributions as a participant in the
14 Retiree Health Care Act on the person's behalf, unless that
15 person retires on or before July 1, 1995, in which event the
16 time period required for employee and employer contributions
17 shall become the period of time between July 1, 1990 and the
18 date of retirement, and who is certified to be a retiree by the
19 educational retirement director, the executive secretary of the
20 public employees retirement board or the governing authority of
21 an independent public employer;

22 (b) falls within the definition of a
23 retiree, retired prior to July 1, 1990 and is certified to be a
24 retiree by the educational retirement director, the executive
25 secretary of the public employees retirement association or the

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1 governing authority of an independent public employer; but this
2 paragraph does not include a retiree who was an employee of an
3 eligible employer who exercised the option not to be a
4 participating employer pursuant to the Retiree Health Care Act
5 and did not after January 1, 1993 elect to become a
6 participating employer; unless the retiree: 1) retired on or
7 before June 30, 1990; and 2) at the time of retirement did not
8 have a retirement health plan or retirement health insurance
9 coverage available from ~~his~~ the retiree's employer; or

10 (c) is a retiree who: 1) was at the
11 time of retirement an employee of an eligible employer who
12 exercised the option not to be a participating employer
13 pursuant to the Retiree Health Care Act, but which eligible
14 employer subsequently elected after January 1, 1993 to become a
15 participating employer; 2) has made contributions to the fund
16 for at least five years prior to retirement and whose eligible
17 employer during that period of time made contributions as a
18 participant in the Retiree Health Care Act on the person's
19 behalf, unless that person retires prior to the eligible
20 employer's election to become a participating employer or less
21 than five years after the date participation begins when the
22 participation date begins before July 1, 2009, in which event
23 the time period required for employee and employer
24 contributions shall become the period of time, if any, between
25 the date participation begins and the date of retirement or

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1 when the participation date begins on or after July 1, 2009, in
2 which event the person and employer shall contribute to the
3 fund an amount equal to the full actuarial present value of the
4 accrued benefits as determined by the authority; and 3) is
5 certified to be a retiree by the educational retirement
6 director, the executive director of the public employees
7 retirement board or the governing authority of an independent
8 public employer;

9 (4) a "legislative member", which means a
10 person who is not a retiree and who served as a member of the
11 New Mexico legislature for at least two years, but is no longer
12 a member of the legislature and is certified to be such by the
13 legislative council service; or

14 (5) a "former participating employer governing
15 authority member", which means a person, other than a
16 nonsalaried eligible participating entity governing authority
17 member or a salaried eligible participating entity governing
18 authority member, who is not a retiree and who served as a
19 member of the governing authority of a participating employer
20 for at least four years but is no longer a member of the
21 governing authority and whose length of service is certified by
22 the chief executive officer of the participating employer;

23 I. "fund" means the retiree health care fund;

24 J. "group health insurance" means coverage that
25 includes but is not limited to life insurance, accidental death

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1 and dismemberment, hospital care and benefits, surgical care
2 and treatment, medical care and treatment, dental care, eye
3 care, obstetrical benefits, prescribed drugs, medicines and
4 prosthetic devices, medicare supplement, medicare carveout,
5 medicare coordination and other benefits, supplies and services
6 through the vehicles of indemnity coverages, health maintenance
7 organizations, preferred provider organizations and other
8 health care delivery systems as provided by the Retiree Health
9 Care Act and other coverages considered by the board to be
10 advisable;

11 K. "ineligible dependents" [~~include~~] includes:

12 (1) those dependents created by common law
13 relationships;

14 (2) dependents while in active military
15 service;

16 (3) parents, aunts, uncles, brothers, sisters,
17 grandchildren and other family members left in the care of an
18 eligible retiree without evidence of legal guardianship; and

19 (4) anyone not specifically referred to as an
20 eligible dependent pursuant to the rules [~~and regulations~~]
21 adopted by the board;

22 L. "participating employee" means an employee of a
23 participating employer, which employee has not been expelled
24 from participation in the Retiree Health Care Act pursuant to
25 Section 10-7C-10 NMSA 1978;

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1 M. "participating employer" means an eligible
2 employer who has satisfied the conditions for participating in
3 the benefits of the Retiree Health Care Act, including the
4 requirements of Subsection M of Section 10-7C-7 NMSA 1978 and
5 Subsection D or E of Section 10-7C-9 NMSA 1978, as applicable;

6 N. "public entity" means a flood control authority,
7 economic development district, council of governments, regional
8 housing authority, conservancy district or other special
9 district or special purpose government; and

10 O. "retiree" means a person who:

11 (1) is receiving:

12 (a) a disability or normal retirement
13 benefit or survivor's benefit pursuant to the Educational
14 Retirement Act;

15 (b) a disability or normal retirement
16 benefit or survivor's benefit pursuant to the Public Employees
17 Retirement Act, the Judicial Retirement Act, the Magistrate
18 Retirement Act or the Public Employees Retirement Reciprocity
19 Act; or

20 (c) a disability or normal retirement
21 benefit or survivor's benefit pursuant to the retirement
22 program of an independent public employer to which that
23 employer has made periodic contributions; or

24 (2) is not receiving a survivor's benefit but
25 is the eligible dependent of a person who received a disability

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1 or normal retirement benefit pursuant to the Educational
2 Retirement Act, the Public Employees Retirement Act, the
3 Judicial Retirement Act, the Magistrate Retirement Act or the
4 Public Employees Retirement Reciprocity Act."

5 Section 3. Section 10-7C-15 NMSA 1978 (being Laws 1990,
6 Chapter 6, Section 15, as amended) is amended to read:

7 "10-7C-15. RETIREE HEALTH CARE FUND CONTRIBUTIONS.--

8 A. Following completion of the preliminary
9 contribution period, each participating employer shall make
10 contributions to the fund [~~in the amount of:~~

11 ~~(1) one percent of each participating~~
12 ~~employee's annual salary for the period July 1, 1990 through~~
13 ~~June 30, 2002; and~~

14 ~~(2) up to one and three-tenths percent of each~~
15 ~~participating employee's annual salary beginning July 1, 2002]~~
16 pursuant to the following provisions:

17 (1) for participating employees who are not
18 members of an enhanced retirement plan, the employer's
19 contribution shall equal:

20 (a) one and three-tenths percent of each
21 participating employee's salary for the period from July 1,
22 2002 through June 30, 2010;

23 (b) one and six hundred sixty-six
24 thousandths percent of each participating employee's salary for
25 the period from July 1, 2010 through June 30, 2011;

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1 (c) one and eight hundred thirty-four
 2 thousandths percent of each participating employee's salary for
 3 the period from July 1, 2011 through June 30, 2012; and

4 (d) two percent of each participating
 5 employee's salary beginning July 1, 2012;

6 (2) for participating employees who are
 7 members of an enhanced retirement plan, the employer's
 8 contribution shall equal:

9 (a) one and three-tenths percent of each
 10 participating employee's salary for the period from July 1,
 11 2002 through June 30, 2010;

12 (b) two and eighty-four thousandths
 13 percent of each participating employee's salary for the period
 14 from July 1, 2010 through June 30, 2011;

15 (c) two and two hundred ninety-two
 16 thousandths percent of each participating employee's salary for
 17 the period from July 1, 2011 through June 30, 2012; and

18 (d) two and one-half percent of each
 19 participating employee's salary beginning July 1, 2012; and

20 (3) each employer that chooses to become a
 21 participating employer after January 1, 1998 shall make
 22 contributions to the fund in the amount determined to be
 23 appropriate by the board.

24 B. Following completion of the preliminary
 25 contribution period, each participating employee, as a

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1 condition of employment, shall contribute to the fund [~~an~~
2 ~~employee contribution in an amount equal to:~~

3 ~~(1) one-half of one percent of the employee's~~
4 ~~salary for the period July 1, 1990 through June 30, 2002; and~~

5 ~~(2) up to sixty-five hundredths of one percent~~
6 ~~beginning July 1, 2002] pursuant to the following provisions:~~

7 (1) for a participating employee who is not a
8 member of an enhanced retirement plan, the employee's
9 contribution shall equal:

10 (a) sixty-five hundredths of one percent
11 of the employee's salary for the period from July 1, 2002
12 through June 30, 2010;

13 (b) eight hundred thirty-three
14 thousandths of one percent of the employee's salary for the
15 period from July 1, 2010 through June 30, 2011;

16 (c) nine hundred seventeen thousandths
17 of one percent of the employee's salary for the period from
18 July 1, 2011 through June 30, 2012; and

19 (d) one percent of the employee's salary
20 beginning July 1, 2012;

21 (2) for a participating employee who is a
22 member of an enhanced retirement plan, the employee's
23 contribution shall equal:

24 (a) sixty-five hundredths of one percent
25 of the employee's salary for the period from July 1, 2002

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1 through June 30, 2010;

2 (b) one and forty-two thousandths
3 percent of the employee's salary for the period from July 1,
4 2010 through June 30, 2011;

5 (c) one and one hundred forty-six
6 thousandths percent of the employee's salary for the period
7 from July 1, 2011 through June 30, 2012; and

8 (d) one and one-fourth percent of the
9 employee's salary beginning July 1, 2012; and

10 (3) as a condition of employment, each
11 participating employee of an employer that chooses to become a
12 participating employer after January 1, 1998 shall contribute
13 to the fund an amount that is determined to be appropriate by
14 the board. Each month, participating employers shall deduct
15 the contribution from the participating employee's salary and
16 shall remit it to the board as provided by any procedures that
17 the board may require.

18 C. On or after July 1, 2009, no person who has
19 obtained service credit pursuant to Subsection B of Section
20 10-11-6 NMSA 1978, Section 10-11-7 NMSA 1978 or Paragraph (3)
21 or (4) of Subsection A of Section 22-11-34 NMSA 1978 may enroll
22 with the authority unless the person makes a contribution to
23 the fund equal to the full actuarial present value of the
24 amount of the increase in the person's health care benefit, as
25 determined by the authority.

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1 ~~[G-]~~ D. Except for contributions made pursuant to
2 Subsection C of this section, a participating employer that
3 fails to remit before the tenth day after the last day of the
4 month all employer and employee deposits required by the
5 Retiree Health Care Act to be remitted by the employer for the
6 month shall pay to the fund, in addition to the deposits,
7 interest on the unpaid amounts at the rate of six percent per
8 year compounded monthly.

9 ~~[D-]~~ E. Except for contributions made pursuant to
10 Subsection C of this section, the employer and employee
11 contributions shall be paid in monthly installments based on
12 the percent of payroll certified by the employer.

13 ~~[E-]~~ F. Except in the case of erroneously made
14 contributions or as may be otherwise provided in Subsection D
15 of Section 10-7C-9 NMSA 1978, contributions from participating
16 employers and participating employees shall become the property
17 of the fund on receipt by the board and shall not be refunded
18 under any circumstances, including termination of employment or
19 termination of the participating employer's operation or
20 participation in the Retiree Health Care Act.

21 ~~[F-]~~ G. Notwithstanding any other provision in the
22 Retiree Health Care Act and at the first session of the
23 legislature following July 1, ~~[2010]~~ 2013, the legislature
24 shall review and adjust the ~~[distribution]~~ distributions
25 pursuant to Section 7-1-6.1 NMSA 1978 and the employer and

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1 employee contributions to the authority in order to ensure the
 2 actuarial soundness of the benefits provided under the Retiree
 3 Health Care Act.

4 H. As used in this section, "member of an enhanced
 5 retirement plan" means:

6 (1) a member of the public employees
 7 retirement association who, pursuant to the Public Employees
 8 Retirement Act, is included in:

9 (a) state police member and adult
 10 correctional officer member coverage plan 1;

11 (b) municipal police member coverage
 12 plan 3, 4 or 5;

13 (c) municipal fire member coverage plan
 14 3, 4 or 5; or

15 (d) municipal detention officer member
 16 coverage plan 1; or

17 (2) a member pursuant to the provisions of the
 18 Judicial Retirement Act."

19 Section 4. Section 10-11-6 NMSA 1978 (being Laws 1987,
 20 Chapter 253, Section 6, as amended) is amended to read:

21 "10-11-6. [~~CREDITED~~] SERVICE CREDIT--CREDIT FOR
 22 INTERVENING MILITARY AND UNITED STATES GOVERNMENT SERVICE.--

23 A. A member who leaves the employ of an affiliated
 24 public employer to enter a uniformed service of the United
 25 States shall be given service credit for periods of service in

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1 the uniformed services subject to the following conditions:

2 (1) the member is reemployed by an affiliated
3 public employer within ninety days following termination of the
4 period of intervening ~~service~~ service in the uniformed
5 service or the affiliated employer certifies in writing to the
6 association that the member is entitled to reemployment rights
7 under the federal Uniformed Services Employment and
8 Reemployment Rights Act of 1994;

9 (2) the member retains membership in the
10 association during the period of service in the uniformed
11 services;

12 (3) free service credit shall not be given for
13 periods of intervening service in the uniformed services
14 following voluntary reenlistment. Service credit for such
15 periods shall be given only after the member pays the
16 association the sum of the contributions that the person would
17 have been required to contribute had the person remained
18 continuously employed throughout the period of intervening
19 service following voluntary reenlistment, which payment shall
20 be made during the period beginning with the date of
21 reemployment and whose duration is three times the period of
22 the person's intervening service in the uniformed services
23 following voluntary reenlistment, not to exceed five years;

24 (4) service credit shall not be given for
25 periods of intervening service in the uniformed services that

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1 are used to obtain or increase a benefit from another state
2 system or the retirement program provided under the Educational
3 Retirement Act; ~~and~~

4 (5) the member must not have received a
5 discharge or separation from uniformed service under other than
6 honorable conditions; and

7 (6) notwithstanding any provision of this plan
8 to the contrary, contributions, benefits and service credit
9 with respect to qualified military service will be provided in
10 accordance with Section 414(u) of the Internal Revenue Code of
11 1986, as amended.

12 B. For a member who is subsequently employed by the
13 government of the United States within thirty days of leaving
14 the employ of an affiliated public employer:

15 (1) that member may continue membership in the
16 association subject to the following conditions:

17 (a) the member has fifteen or more years
18 of ~~credited~~ service credit;

19 (b) employment by the government of the
20 United States commences within ninety days of termination of
21 employment with the last affiliated public employer;

22 (c) the member files with the
23 association a written application for continued membership
24 within ninety days of termination of employment with the last
25 affiliated public employer; and

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1 (d) the member remits to the
2 association, at the times and in the manner prescribed by the
3 association, the member contributions and the employer
4 contributions that would have been made had the member
5 continued in the employ of the last affiliated public employer;

6 (2) the contributions required by Paragraph
7 (1) of this subsection shall be based on a salary equal to the
8 member's monthly salary at time of termination of employment
9 with the last affiliated public employer;

10 (3) [~~credited~~] service credit will be
11 determined as if the employment by the government of the United
12 States was rendered the last affiliated public employer; [~~and~~]

13 (4) the employer contributions remitted by the
14 member shall be credited to the [~~employer~~] employer's
15 accumulation fund and shall not be paid out of the association
16 in the event of subsequent cessation of membership; and

17 (5) a member receiving service credit under
18 this subsection who enrolls in the retiree health care
19 authority shall make contributions pursuant to Subsection C of
20 Section 10-7C-15 NMSA 1978."

21 Section 5. Section 10-11-7 NMSA 1978 (being Laws 1987,
22 Chapter 253, Section 7, as amended) is amended to read:

23 "10-11-7. [~~CREDITED~~] SERVICE CREDIT--PURCHASE OF
24 SERVICE.--

25 A. A member who entered a uniformed service of the

1 United States may purchase service credit for periods of active
2 duty in the uniformed services subject to the following
3 conditions:

4 (1) the member pays the association the
5 purchase cost determined according to Subsection E of this
6 section;

7 (2) the member has five or more years of
8 service credit acquired as a result of personal service
9 rendered in the employ of an affiliated public employer;

10 (3) the aggregate amount of service credit
11 purchased pursuant to this subsection does not exceed five
12 years reduced by any period of service credit acquired for
13 military service pursuant to any other provision of the Public
14 Employees Retirement Act;

15 (4) service credit may not be purchased for
16 periods of service in the uniformed services that are used to
17 obtain or increase a benefit from another retirement program;
18 and

19 (5) the member must not have received a
20 discharge or separation from uniformed service under other than
21 honorable conditions.

22 B. A member who was a civilian prisoner of war
23 captured while in service to the United States as an employee
24 of the federal government or as an employee of a contractor
25 with the federal government may purchase service credit for the

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1 period of internment as a civilian prisoner of war, provided
2 that:

3 (1) the member provides proof of employment
4 with the federal government or as a contractor to the federal
5 government in a form acceptable to the association;

6 (2) the member provides proof of the period of
7 internment in a form acceptable to the association;

8 (3) the member has at least five years of
9 service credit acquired as a result of personal service
10 rendered in the employ of an affiliated public employer;

11 (4) the aggregate amount of service credit
12 purchased pursuant to this subsection does not exceed five
13 years reduced by any period of service credit acquired for
14 military service pursuant to any other provision of the Public
15 Employees Retirement Act;

16 (5) service credit may not be purchased for
17 periods of service in internment as a civilian prisoner of war
18 if such periods are used to obtain or increase a benefit from
19 another retirement program; and

20 (6) the member pays the association the
21 purchase cost determined according to Subsection E of this
22 section.

23 C. A member who was employed by a utility company,
24 library, museum, transit company or nonprofit organization
25 administering federally funded public service programs, which

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1 utility company, library, museum, transit company or nonprofit
2 organization administering federally funded public service
3 programs or federally funded public service programs
4 administered by a nonprofit organization are subsequently taken
5 over by an affiliated public employer, or a member who was
6 employed by an entity created pursuant to a joint powers
7 agreement between two or more affiliated public employers for
8 the purpose of administering or providing drug or alcohol
9 addiction treatment services irrespective of whether the entity
10 is subsequently taken over by an affiliated public employer,
11 may purchase [~~credited~~] service credit for the period of
12 employment subject to the following conditions:

13 (1) the member pays the association the
14 purchase cost determined according to Subsection E of this
15 section;

16 (2) the member has five or more years of
17 [~~credited~~] service credit acquired as a result of personal
18 service rendered in the employ of an affiliated public
19 employer; and

20 (3) the aggregate amount of [~~credited~~] service
21 credit purchased pursuant to this subsection does not exceed
22 five years.

23 D. A member who was appointed to participate in a
24 cooperative work study training program established jointly by
25 a state agency and a state post-secondary educational

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1 institution may purchase [~~credited~~] service credit for the
2 period of participation subject to the following conditions:

3 (1) the member pays the association the full
4 actuarial present value of the amount of the increase in the
5 employee's pension as a consequence of the purchase as
6 determined by the association;

7 (2) the member pays the full cost of the
8 purchase within sixty days of the date the member is informed
9 of the amount of the payment;

10 (3) the member has five or more years of
11 [~~credited~~] service credit acquired as a result of personal
12 service rendered in the employ of an affiliated public
13 employer; and

14 (4) the aggregate amount of [~~credited~~] service
15 credit purchased pursuant to this subsection does not exceed
16 five years.

17 E. Except for service to be used under a state
18 legislator coverage plan, the purchase cost for each month of
19 [~~credited~~] service credit purchased pursuant to the provisions
20 of this section is equal to the member's final average salary
21 multiplied by the sum of the member contribution rate and
22 employer contribution rate, determined in accordance with the
23 coverage plan applicable to the member at the time of the
24 written election to purchase. The purchase cost for each year
25 of [~~credited~~] service credit to be used under a state

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1 legislator coverage plan is equal to three times the normal
2 member contribution per year of [~~credited~~] service credit under
3 the state legislator coverage plan applicable to the member.
4 Full payment shall be made in a single lump sum within sixty
5 days of the date the member is informed of the amount of the
6 payment. The portion of the purchase cost derived from the
7 employer contribution rate shall be credited to the employer's
8 accumulation fund and shall not be paid out of the association
9 in the event of cessation of membership. In no case shall a
10 member be credited with a month of service for less than the
11 purchase cost as defined in this section.

12 F. A member shall be refunded, upon written request
13 filed with the association, the portion of the purchase cost of
14 [~~credited~~] service credit purchased pursuant to this section
15 that the association determines to have been unnecessary to
16 provide the member with the maximum pension applicable to the
17 member. The association shall not pay interest on the portion
18 of the purchase cost refunded to the member.

19 G. A member of the magistrate retirement system who
20 during the member's service as a magistrate was eligible to
21 become a member of the public employees retirement system and
22 elected not to become a member of that system may purchase
23 service credit pursuant to the public employees retirement
24 system for the period for which the magistrate elected not to
25 become a public employees retirement system member, by paying

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1 the amount of the increase in the actuarial present value of
2 the magistrate pension as a consequence of the purchase as
3 determined by the association. Full payment shall be made in a
4 single lump-sum amount in accordance with procedures
5 established by the retirement board. Except as provided in
6 Subsection F of this section, seventy-five percent of the
7 purchase cost shall be considered to be employer contributions
8 and shall not be refunded to the member in the event of
9 cessation of membership.

10 H. At any time prior to retirement, any member may
11 purchase service credit in monthly increments, subject to the
12 following conditions:

13 (1) the member has at least five years of
14 service credit acquired as a result of personal service
15 rendered in the employ of an affiliated public employer;

16 (2) the aggregate amount of service credit
17 purchased pursuant to this subsection does not exceed one
18 year;

19 (3) the member pays full actuarial present
20 value of the amount of the increase in the employee's pension
21 as a consequence of the purchase as determined by the
22 association;

23 (4) the member pays the full cost of the
24 purchase within sixty days of the date the member is informed
25 of the amount of the payment; and

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1 (5) the purchase of service credit under this
 2 subsection cannot be used to determine the final average salary
 3 or the pension factor or be used to exceed the pension maximum.

4 I. A member receiving service credit under this
 5 section who enrolls in the retiree health care authority shall
 6 make contributions pursuant to Subsection C of Section 10-7C-15
 7 NMSA 1978."

8 Section 6. Section 10-11-26.2 NMSA 1978 (being Laws 1994,
 9 Chapter 128, Section 3) is amended to read:

10 "10-11-26.2. STATE GENERAL MEMBER COVERAGE PLAN 3--AGE
 11 AND SERVICE CREDIT REQUIREMENTS FOR NORMAL RETIREMENT.--

12 A. Under state general member coverage plan 3:

13 (1) for a member who is a peace officer and
 14 for a member who is not a peace officer but was a retired
 15 member or a member on June 30, 2010, the age and service credit
 16 requirements for normal retirement are:

17 [~~A.~~] (a) age sixty-five years or older
 18 and five or more years of service credit;

19 [~~B.~~] (b) age sixty-four years and eight
 20 or more years of service credit;

21 [~~C.~~] (c) age sixty-three years and
 22 eleven or more years of service credit;

23 [~~D.~~] (d) age sixty-two years and
 24 fourteen or more years of service credit;

25 [~~E.~~] (e) age sixty-one years and

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1 seventeen or more years of service credit;

2 ~~[F-]~~ (f) age sixty years and twenty or
3 more years of service credit; and

4 ~~[G-]~~ (g) any age and twenty-five or more
5 years of service credit; and

6 (2) for a member who is not a peace officer
7 and was not a retired member or a member on June 30, 2010, the
8 age and service requirements for normal retirement are:

9 (a) age sixty-seven years or older and
10 five or more years of service credit;

11 (b) any age if the sum of the member's
12 age and years of service credit equals at least eighty; or

13 (c) any age and thirty or more years of
14 service credit.

15 B. As used in this section, "peace officer" means
16 any employee of the state with a duty to maintain public order
17 or to make arrests for crime, whether that duty extends to all
18 crimes or is limited to specific crimes, and who is not
19 specifically covered by another coverage plan."

20 Section 7. Section 10-11-27 NMSA 1978 (being Laws 1987,
21 Chapter 253, Section 27, as amended by Laws 2003, Chapter 268,
22 Section 9 and by Laws 2003, Chapter 269, Section 1) is amended
23 to read:

24 "10-11-27. STATE POLICE MEMBER AND ADULT CORRECTIONAL
25 OFFICER MEMBER COVERAGE PLAN 1--APPLICABILITY.--

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1 A. State police member and adult correctional
2 officer member coverage plan 1 is applicable to state police
3 members who are not specifically covered by another coverage
4 plan and to adult correctional officer members. [~~The credited~~
5 ~~service of a state police member who has held the permanent~~
6 ~~rank of patrolman, sergeant, lieutenant or captain and does not~~
7 ~~hold an exempt rank or who is assigned to the aircraft division~~
8 ~~as a pilot, or of an adult correctional officer member, shall~~
9 ~~have actual credited service increased by twenty percent] For
10 the purposes of state police member and adult correctional
11 officer member coverage plan 1, a member shall have actual
12 service credit increased by twenty percent if that member was a
13 retired member or a member on June 30, 2010 and:~~

14 (1) is a state police member who holds the
15 permanent rank of patrolman, sergeant, lieutenant or captain
16 and does not hold an exempt rank;

17 (2) is a state police member who is assigned
18 to the aircraft division as a pilot; or

19 (3) is an adult correctional officer member.

20 B. State police member and adult correctional
21 officer member coverage plan 1 is applicable to adult
22 correctional officer members in the first full pay period after
23 July 1, 2004 if the retirement board certifies to the secretary
24 of state that, of those adult correctional officer members to
25 be covered under state police member and adult correctional

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1 officer member coverage plan 1, a majority of the members
2 voting have voted to approve adoption of that plan at an
3 election conducted pursuant to [~~Section 16 of this 2003 act~~]
4 Laws 2003, Chapter 268, Section 16."

5 Section 8. Section 10-11-45 NMSA 1978 (being Laws 1987,
6 Chapter 253, Section 45) is amended to read:

7 "10-11-45. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 1--AGE
8 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
9 municipal general member coverage plan 1:

10 A. for a member who was a retired member or a
11 member on June 30, 2010, the age and service requirements for
12 normal retirement are:

13 [~~A.~~] (1) age sixty-five years or older and
14 five or more years of [~~credited~~] service credit;

15 [~~B.~~] (2) age sixty-four years and eight or
16 more years of [~~credited~~] service credit;

17 [~~C.~~] (3) age sixty-three years and eleven or
18 more years of [~~credited~~] service credit;

19 [~~D.~~] (4) age sixty-two years and fourteen or
20 more years of [~~credited~~] service credit;

21 [~~E.~~] (5) age sixty-one years and seventeen or
22 more years of [~~credited~~] service credit;

23 [~~F.~~] (6) age sixty years and twenty or more
24 years of [~~credited~~] service credit; or

25 [~~G.~~] (7) any age and twenty-five or more years

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1 of [~~credited~~] service credit; and

2 B. for a member who was not a retired member or a
3 member on June 30, 2010, the age and service requirements for
4 normal retirement are:

5 (1) age sixty-seven years or older and five or
6 more years of service credit;

7 (2) any age if the sum of the member's age and
8 years of service credit equals at least eighty; or

9 (3) any age and thirty or more years of
10 service credit."

11 Section 9. Section 10-11-51 NMSA 1978 (being Laws 1987,
12 Chapter 253, Section 51) is amended to read:

13 "10-11-51. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 2--AGE
14 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
15 municipal general member coverage plan 2:

16 A. for a member who was a retired member or a
17 member on June 30, 2010, the age and service requirements for
18 normal retirement are:

19 [~~A.~~] (1) age sixty-five years or older and
20 five or more years of [~~credited~~] service credit;

21 [~~B.~~] (2) age sixty-four years and eight or
22 more years of [~~credited~~] service credit;

23 [~~C.~~] (3) age sixty-three years and eleven or
24 more years of [~~credited~~] service credit;

25 [~~D.~~] (4) age sixty-two years and fourteen or

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1 more years of [~~eredit~~] service credit;

2 [~~E-~~] (5) age sixty-one years and seventeen or
3 more years of [~~eredit~~] service credit;

4 [~~F-~~] (6) age sixty years and twenty or more
5 years of [~~eredit~~] service credit; or

6 [~~G-~~] (7) any age and twenty-five or more years
7 of [~~eredit~~] service credit; and

8 B. for a member who was not a retired member or a
9 member on June 30, 2010, the age and service requirements for
10 normal retirement are:

11 (1) age sixty-seven years or older and five or
12 more years of service credit;

13 (2) any age if the sum of the member's age and
14 years of service credit equals at least eighty; or

15 (3) any age and thirty or more years of
16 service credit."

17 Section 10. Section 10-11-55.2 NMSA 1978 (being Laws
18 1993, Chapter 58, Section 2) is amended to read:

19 "10-11-55.2. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 3--
20 AGE AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
21 municipal general member coverage plan 3:

22 A. for a member who was a retired member or a
23 member on June 30, 2010, the age and service requirements for
24 normal retirement are:

25 [~~A-~~] (1) age sixty-five years or older and

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1 five or more years of [~~eredit~~] service credit;

2 [~~B.~~] (2) age sixty-four years and eight or
3 more years of [~~eredit~~] service credit;

4 [~~C.~~] (3) age sixty-three years and eleven or
5 more years of [~~eredit~~] service credit;

6 [~~D.~~] (4) age sixty-two years and fourteen or
7 more years of [~~eredit~~] service credit;

8 [~~E.~~] (5) age sixty-one years and seventeen or
9 more years of [~~eredit~~] service credit;

10 [~~F.~~] (6) age sixty years and twenty or more
11 years of [~~eredit~~] service credit; or

12 [~~G.~~] (7) any age and twenty-five or more years
13 of [~~eredit~~] service credit; and

14 B. for a member who was not a retired member or a
15 member on June 30, 2010, the age and service requirements for
16 normal retirement are:

17 (1) age sixty-seven years or older and five or
18 more years of service credit;

19 (2) any age if the sum of the member's age and
20 years of service credit equals at least eighty; or

21 (3) any age and thirty or more years of
22 service credit."

23 Section 11. Section 10-11-55.8 NMSA 1978 (being Laws
24 1998, Chapter 106, Section 2) is amended to read:

25 "10-11-55.8. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 4--

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1 AGE AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
2 municipal general member coverage plan 4:

3 A. for a member who was a retired member or a
4 member on June 30, 2010, the age and service requirements for
5 normal retirement are:

6 [~~A.~~] (1) age sixty-five years or older and
7 five or more years of [~~credited~~] service credit;

8 [~~B.~~] (2) age sixty-four years and eight or
9 more years of [~~credited~~] service credit;

10 [~~C.~~] (3) age sixty-three years and eleven or
11 more years of [~~credited~~] service credit;

12 [~~D.~~] (4) age sixty-two years and fourteen or
13 more years of [~~credited~~] service credit;

14 [~~E.~~] (5) age sixty-one years and seventeen or
15 more years of [~~credited~~] service credit;

16 [~~F.~~] (6) age sixty years and twenty or more
17 years of [~~credited~~] service credit; or

18 [~~G.~~] (7) any age and twenty-five or more years
19 of [~~credited~~] service credit; and

20 B. for a member who was not a retired member or a
21 member on June 30, 2010, the age and service requirements for
22 normal retirement are:

23 (1) age sixty-seven years or older and five or
24 more years of service credit;

25 (2) any age if the sum of the member's age and

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[bracketed material] = delete

1 years of service credit equals at least eighty; or

2 (3) any age and thirty or more years of
3 service credit."

4 Section 12. Section 10-11-69 NMSA 1978 (being Laws 1987,
5 Chapter 253, Section 69) is amended to read:

6 "10-11-69. MUNICIPAL POLICE MEMBER COVERAGE PLAN 3--AGE
7 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
8 municipal police member coverage plan 3, the age and service
9 requirements for normal retirement are:

10 A. age sixty-five years or older and five or more
11 years of [~~credited~~] service credit;

12 B. age sixty-four years and eight or more years of
13 [~~credited~~] service credit;

14 C. age sixty-three years and eleven or more years
15 of [~~credited~~] service credit;

16 D. age sixty-two years and fourteen or more years
17 of [~~credited~~] service credit;

18 E. age sixty-one years and seventeen or more years
19 of [~~credited~~] service credit; [~~or~~]

20 F. any age and twenty or more years of [~~credited~~]
21 service credit for an individual who was a retired member or a
22 member on June 30, 2010; or

23 G. any age and twenty-five or more years of service
24 credit for an individual who was not a retired member or a
25 member on June 30, 2010."

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1 Section 13. Section 10-11-75 NMSA 1978 (being Laws 1987,
2 Chapter 253, Section 75) is amended to read:

3 "10-11-75. MUNICIPAL POLICE MEMBER COVERAGE PLAN 4--AGE
4 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
5 municipal police member coverage plan 4, the age and service
6 requirements for normal retirement are:

7 A. age sixty-five years or older and five or more
8 years of [~~credited~~] service credit;

9 B. age sixty-four years and eight or more years of
10 [~~credited~~] service credit;

11 C. age sixty-three years and eleven or more years
12 of [~~credited~~] service credit;

13 D. age sixty-two years and fourteen or more years
14 of [~~credited~~] service credit;

15 E. age sixty-one years and seventeen or more years
16 of [~~credited~~] service credit; [~~or~~]

17 F. any age and twenty or more years of [~~credited~~]
18 service credit for an individual who was a retired member or a
19 member on June 30, 2010; or

20 G. any age and twenty-five or more years of service
21 credit for an individual who was not a retired member or a
22 member on June 30, 2010."

23 Section 14. Section 10-11-81 NMSA 1978 (being Laws 1987,
24 Chapter 253, Section 81) is amended to read:

25 "10-11-81. MUNICIPAL POLICE MEMBER COVERAGE PLAN 5--AGE

1 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
 2 municipal police member coverage plan 5, the age and service
 3 requirements for normal retirement are:

4 A. age sixty-five years or older and five or more
 5 years of [~~credited~~] service credit;

6 B. age sixty-four years and eight or more years of
 7 [~~credited~~] service credit;

8 C. age sixty-three years and eleven or more years
 9 of [~~credited~~] service credit;

10 D. age sixty-two years and fourteen or more years
 11 of [~~credited~~] service credit;

12 E. age sixty-one years and seventeen or more years
 13 of [~~credited~~] service credit; [~~or~~]

14 F. any age and twenty or more years of [~~credited~~]
 15 service credit for an individual who was a retired member or a
 16 member on June 30, 2010; or

17 G. any age and twenty-five or more years of service
 18 credit for an individual who was not a retired member or a
 19 member on June 30, 2010."

20 Section 15. Section 10-11-99 NMSA 1978 (being Laws 1987,
 21 Chapter 253, Section 99) is amended to read:

22 "10-11-99. MUNICIPAL FIRE MEMBER COVERAGE PLAN 3--AGE AND
 23 SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under municipal
 24 fire member coverage plan 3, the age and service requirements
 25 for normal retirement are:

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1 A. age sixty-five years or older and five or more
2 years of [~~credited~~] service credit;

3 B. age sixty-four years and eight or more years of
4 [~~credited~~] service credit;

5 C. age sixty-three years and eleven or more years
6 of [~~credited~~] service credit;

7 D. age sixty-two years and fourteen or more years
8 of [~~credited~~] service credit;

9 E. age sixty-one years and seventeen or more years
10 of [~~credited~~] service credit; [~~or~~]

11 F. any age and twenty or more years of [~~credited~~]
12 service credit for an individual who was a retired member or
13 a member on June 30, 2010; or

14 G. any age and twenty-five or more years of
15 service credit for an individual who was not a retired member
16 or a member on June 30, 2010."

17 Section 16. Section 10-11-105 NMSA 1978 (being Laws
18 1987, Chapter 253, Section 105) is amended to read:

19 "10-11-105. MUNICIPAL FIRE MEMBER COVERAGE PLAN 4--AGE
20 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
21 municipal fire member coverage plan 4, the age and service
22 requirements for normal retirement are:

23 A. age sixty-five years or older and five or more
24 years of [~~credited~~] service credit;

25 B. age sixty-four years and eight or more years

1 of [~~credited~~] service credit;

2 C. age sixty-three years and eleven or more years
3 of [~~credited~~] service credit;

4 D. age sixty-two years and fourteen or more years
5 of [~~credited~~] service credit;

6 E. age sixty-one years and seventeen or more
7 years of [~~credited~~] service credit; [~~or~~]

8 F. any age and twenty or more years of [~~credited~~]
9 service credit for an individual who was a retired member or
10 a member on June 30, 2010; or

11 G. any age and twenty-five or more years of
12 service credit for an individual who was not a retired member
13 or a member on June 30, 2010."

14 Section 17. Section 10-11-111 NMSA 1978 (being Laws
15 1987, Chapter 253, Section 111) is amended to read:

16 "10-11-111. MUNICIPAL FIRE MEMBER COVERAGE PLAN 5--AGE
17 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
18 municipal fire member coverage plan 5, the age and service
19 requirements for normal retirement are:

20 A. age sixty-five years or older and five or more
21 years of [~~credited~~] service credit;

22 B. age sixty-four years and eight or more years
23 of [~~credited~~] service credit;

24 C. age sixty-three years and eleven or more years
25 of [~~credited~~] service credit;

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1 D. age sixty-two years and fourteen or more years
2 of [~~eredit~~] service credit;

3 E. age sixty-one years and seventeen or more
4 years of [~~eredit~~] service credit; [~~or~~]

5 F. any age and twenty or more years of [~~eredit~~]
6 service credit for an individual who was a retired member or
7 a member on June 30, 2010; or

8 G. any age and twenty-five or more years of
9 service credit for an individual who was not a retired member
10 or a member on June 30, 2010."

11 Section 18. Section 10-11-115.2 NMSA 1978 (being Laws
12 2003, Chapter 268, Section 3) is amended to read:

13 "10-11-115.2. MUNICIPAL DETENTION OFFICER MEMBER
14 COVERAGE PLAN 1--AGE AND SERVICE REQUIREMENTS FOR NORMAL
15 RETIREMENT--CALCULATION OF [~~CREDITED~~] SERVICE CREDIT--

16 A. Under municipal detention officer member
17 coverage plan 1, the age and service requirements for normal
18 retirement are:

19 (1) age sixty-five years or older and five
20 or more years of [~~eredit~~] service credit;

21 (2) age sixty-four years and eight or more
22 years of [~~eredit~~] service credit;

23 (3) age sixty-three years and eleven or more
24 years of [~~eredit~~] service credit;

25 (4) age sixty-two years and fourteen or more

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[bracketed material] = delete

1 years of [~~credited~~] service credit;

2 (5) age sixty-one years and seventeen or
3 more years of [~~credited~~] service credit;

4 (6) age sixty years and twenty or more years
5 of [~~credited~~] service credit; or

6 (7) any age and twenty-five or more years of
7 [~~credited~~] service credit.

8 B. In calculating [~~credited~~] service credit for
9 the purposes of determining retirement eligibility and amount
10 of pension, the [~~credited~~] service credit of a municipal
11 detention officer member who was a retired member or a member
12 on June 30, 2010 shall have actual [~~credited~~] service credit
13 increased by twenty percent for the purposes of municipal
14 detention officer member coverage plan 1."

15 Section 19. Section 10-11-133 NMSA 1978 (being Laws
16 1987, Chapter 253, Section 133, as amended) is amended to
17 read:

18 "10-11-133. INVESTMENT OF FUNDS--PRUDENT INVESTOR
19 STANDARD--CONDITIONS.--

20 A. Commissions paid for the purchase and sale of
21 any security shall not exceed brokerage rates prescribed and
22 approved by stock exchanges that have been approved by or are
23 under the control of the United States securities and
24 exchange commission or by industry practice.

25 B. The retirement board shall invest and manage

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1 the funds administered by the retirement board in accordance
2 with the Uniform Prudent Investor Act.

3 C. The retirement board shall provide quarterly
4 performance reports to the legislative finance committee and
5 the department of finance and administration. Annually, the
6 retirement board shall ratify and provide its written
7 investment policy, including any amendments, to the
8 legislative finance committee and the department of finance
9 and administration.

10 D. Securities purchased with money from or held
11 for any fund administered by the retirement board and for
12 which the retirement board is trustee shall be in the custody
13 of the state treasurer who shall, at the direction of the
14 retirement board, deposit with a bank or trust company the
15 securities for safekeeping or servicing.

16 E. The retirement board may consult with the
17 state investment council or state investment officer and
18 request information or advice with respect to the retirement
19 board's overall investment plan, may utilize the services of
20 the state investment council and state investment officer and
21 may act on their advice concerning the plan. The state
22 investment council and state investment officer shall render
23 investment services to the retirement board without expense
24 to the retirement board. The retirement board may also
25 employ the investment management services and related

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1 management services of a trust company or national bank
2 exercising trust powers or of an investment counseling firm
3 or brokers for the purchase and sale of securities,
4 commission recapture and transitioning services and may pay
5 reasonable compensation for such services from funds
6 administered by the retirement board. The terms of any such
7 investment management services contract shall incorporate the
8 statutory requirements for investment of funds under the
9 retirement board's jurisdiction.

10 F. The retirement board shall annually provide
11 for its members no less than eight hours of training in
12 pension fund investing, fiduciary obligations or ethics. A
13 member elected to the retirement board who fails to attend
14 the training for two consecutive years shall be deemed to
15 have resigned from the retirement board.

16 [~~F-~~] G. Except as provided in the Public
17 Employees Retirement Act, a member of the retirement board,
18 employee of the retirement board or any person connected with
19 the retirement board in any manner shall not:

20 (1) have any direct or indirect interest in
21 the gains or profits of any investment made by the retirement
22 board;

23 (2) receive any direct or indirect pay or
24 emolument for services provided to the retirement board or
25 the association;

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1 (3) directly or indirectly, for the member,
2 employee or person, for themselves or as agent or partner of
3 others, borrow any of the funds or deposits of the
4 association or in any manner use them except to make current
5 and necessary payments authorized by the retirement board; or

6 (4) become an endorser or surety or become
7 in any manner an obligor for money of the retirement board
8 loaned or borrowed."

9 Section 20. A new section of the Public Employees
10 Retirement Act is enacted to read:

11 "[NEW MATERIAL] CALCULATION OF FINAL AVERAGE SALARY.--
12 Under each coverage plan of the Public Employees Retirement
13 Act, the final average salary is one thirty-sixth of the
14 greatest aggregate amount of salary paid a member for thirty-
15 six consecutive but not necessarily continuous months of
16 service credit; provided, however, if the salary paid in any
17 year beginning on or after July 1, 2010 exceeds that of the
18 previous year by more than thirty-five percent:

19 A. the amount in excess of thirty-five percent
20 shall be excluded in the computation of final average salary;
21 and

22 B. the salary, as adjusted to exclude any
23 increase over the thirty-five percent limitation, shall be
24 used to determine if the salary paid in the subsequent year
25 exceeds the thirty-five percent limitation."

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1 Section 21. Section 22-11-13 NMSA 1978 (being Laws
2 1967, Chapter 16, Section 137, as amended) is amended to
3 read:

4 "22-11-13. BOARD AUTHORITY TO INVEST THE FUND--PRUDENT
5 INVESTOR STANDARD--INDEMNIFICATION OF BOARD.--

6 A. The board is authorized to invest or reinvest
7 the fund in accordance with the Uniform Prudent Investor Act.

8 B. The board shall provide quarterly performance
9 reports to the legislative finance committee and the
10 department of finance and administration. Annually, the
11 board shall ratify and provide its written investment policy,
12 including any amendments, to the legislative finance
13 committee and the department of finance and administration.

14 C. The board or its designated agent may enter
15 into contracts for the temporary exchange of securities for
16 the use by broker-dealers, banks or other recognized
17 institutional investors, for periods not to exceed one year,
18 for a specified fee or consideration. Such a contract shall
19 not be entered into unless the contract is fully secured by a
20 collateralized, irrevocable letter of credit running to the
21 board, cash or equivalent collateral of at least one hundred
22 two percent of the market value of the securities plus
23 accrued interest temporarily exchanged. This collateral
24 shall be delivered to the state fiscal agent or its designee
25 contemporaneously with the transfer of funds or delivery of

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1 the securities. Such contract may authorize the board to
2 invest cash collateral in instruments or securities that are
3 authorized fund investments and may authorize payment of a
4 fee from the fund or from income generated by the investment
5 of cash collateral to the borrower of securities providing
6 cash as collateral. The board may apportion income derived
7 from the investment of cash collateral to pay its agent in
8 securities lending transactions.

9 D. Commissions paid for the purchase or sale of
10 any securities pursuant to the provisions of the Educational
11 Retirement Act shall not exceed brokerage rates prescribed
12 and approved by national stock exchanges or by industry
13 practice.

14 E. Securities purchased for the fund shall be
15 held in the custody of the state treasurer. At the direction
16 of the board, the state treasurer shall deposit with a bank
17 or trust company the securities for safekeeping or servicing.

18 F. The board may consult with the state
19 investment council or the state investment officer; may
20 request from the state investment council or the state
21 investment officer any information, advice or recommendations
22 with respect to investment of the fund; may utilize the
23 services of the state investment council or the state
24 investment officer; and may act upon any advice or
25 recommendations of the state investment council or the state

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1 investment officer. The state investment council or the
 2 state investment officer shall render investment advisory
 3 services to the board upon request and without expense to the
 4 board. The board may also employ the investment management
 5 services and related management services of a trust company
 6 or national bank exercising trust powers or of an investment
 7 counseling firm or brokers for the purchase and sale of
 8 securities, commission recapture and transitioning services
 9 and may pay reasonable compensation for those services from
 10 funds administered by the board.

11 G. The board shall annually provide for its
 12 members no less than eight hours of training in pension fund
 13 investing, fiduciary obligations or ethics. A member elected
 14 or appointed to the board who fails to attend the training
 15 for two consecutive years shall be deemed to have resigned
 16 from the board.

17 [~~G.~~] H. Members of the board, jointly and
 18 individually, shall be indemnified from the fund by the state
 19 from all claims, demands, suits, actions, damages, judgments,
 20 costs, charges and expenses, including court costs and
 21 attorney fees, and against all liability, losses and damages
 22 of any nature whatsoever that members shall or may at any
 23 time sustain by reason of any decision made in the
 24 performance of their duties pursuant to this section."

25 Section 22. Section 22-11-23 NMSA 1978 (being Laws

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1 1981, Chapter 293, Section 2, as amended) is amended to read:

2 "22-11-23. RETIREMENT ELIGIBILITY--INITIAL MEMBERSHIP
3 PRIOR TO JULY 1, 2010.--

4 A. [~~On and after July 1, 1984~~] The retirement
5 eligibility for a member who either was a member on June 30,
6 2010, or was a member at any time prior to that date and had
7 not, on that date, been refunded all member contributions
8 pursuant to Subsection A of Section 22-11-15 NMSA 1978, is as
9 follows:

10 (1) a member shall be eligible for
11 retirement benefits pursuant to the Educational Retirement
12 Act when either of the following conditions occurs:

13 (a) the sum of the member's age and
14 years of earned service-credit equals seventy-five; or

15 (b) upon completion of five years of
16 earned service-credit and upon becoming sixty-five years of
17 age;

18 (2) a member under sixty years of age
19 eligible to retire under Paragraph (1) of this subsection may
20 retire and receive retirement benefits pursuant to the
21 Educational Retirement Act that [~~he~~] the member would be
22 eligible to receive if [~~he~~] the member were to retire at the
23 age of sixty years reduced by six-tenths of one percent for
24 each one-fourth, or portion thereof, year that retirement
25 occurs prior to the member's sixtieth [~~birthdate~~] birthday

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1 but after the fifty-fifth [~~birthdate~~] birthday, and one and
 2 eight-tenths percent for each one-fourth, or portion thereof,
 3 year that retirement occurs prior to age fifty-five; or

4 (3) a member under sixty years of age
 5 acquiring twenty-five or more years of earned and allowed
 6 service credit may retire and receive retirement benefits
 7 pursuant to the Educational Retirement Act computed on the
 8 same basis as if the member were sixty years of age.

9 B. A member shall be subject to the provisions of
 10 Paragraphs (2) and (3) of Subsection A of this section as
 11 they existed at the beginning of [~~his~~] the member's last
 12 cumulated four quarters of earned service-credit, regardless
 13 of later amendment."

14 Section 23. A new section of the Educational
 15 Retirement Act, Section 22-11-23.1 NMSA 1978, is enacted to
 16 read:

17 "22-11-23.1. [NEW MATERIAL] RETIREMENT ELIGIBILITY--
 18 INITIAL MEMBERSHIP ON OR AFTER JULY 1, 2010.--

19 A. A member who initially became a member on or
 20 after July 1, 2010 or a member who was a member at any time
 21 prior to that date and had, before that date, been refunded
 22 all member contributions pursuant to Subsection A of Section
 23 22-11-15 NMSA 1978, shall be eligible for retirement benefits
 24 pursuant to the Educational Retirement Act when one of the
 25 following conditions occurs:

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1 (1) the member is any age and has thirty or
2 more years of earned service credit;

3 (2) the member is at least sixty-seven years
4 of age and has five or more years of earned service credit;
5 or

6 (3) the sum of the member's age and years of
7 earned service credit equals at least eighty; provided that a
8 member who retires pursuant to this paragraph shall be
9 subject to the benefit reductions provided in Paragraphs (1)
10 and (2) of Subsection H of Section 22-11-30 NMSA 1978.

11 B. A member shall be subject to the provisions of
12 this section as they existed at the beginning of the member's
13 last cumulated four quarters of earned service credit,
14 regardless of later amendment."

15 Section 24. Section 22-11-25.1 NMSA 1978 (being Laws
16 2001, Chapter 283, Section 2, as amended by Laws 2003,
17 Chapter 80, Section 1 and by Laws 2003, Chapter 145, Section
18 1) is amended to read:

19 "22-11-25.1. RETURN TO EMPLOYMENT--BENEFITS
20 CONTINUED--ADMINISTRATIVE UNIT CONTRIBUTIONS.--

21 A. Except as provided in Subsections B and [~~E~~] F
22 of this section, beginning January 1, 2002 and continuing
23 until January 1, [~~2012~~] 2022, a retired member may begin
24 employment at a local administrative unit and shall not be
25 required to suspend retirement benefits if the member has not

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1 ~~[been employed as an employee or independent contractor by]~~
 2 rendered service to a local administrative unit for at least
 3 twelve consecutive months ~~[from]~~ after the date of retirement
 4 ~~[to the commencement of employment or reemployment with a~~
 5 ~~local administrative unit]~~. If the retired member returns to
 6 employment without first completing twelve consecutive months
 7 of retirement, the retired member shall remove himself or
 8 herself from retirement.

9 B. A retired member who was retired on or before
 10 January 1, 2001 and has not since suspended or been required
 11 to suspend retirement benefits pursuant to the Educational
 12 Retirement Act ~~[and is reemployed by a local administrative~~
 13 ~~unit may continue employment at the]~~ may, at any time prior
 14 to January 1, 2022, return to employment for a local
 15 administrative unit and shall not be required to suspend
 16 retirement benefits.

17 C. A retired member who returns to employment
 18 during retirement pursuant to Subsection A, ~~[or]~~ B or F of
 19 this section is entitled to continue to receive retirement
 20 benefits but is not entitled to acquire service credit or to
 21 acquire or purchase service credit in the future for the
 22 period of the retired member's reemployment with a local
 23 administrative unit.

24 D. A retired member shall not be eligible to
 25 return to employment pursuant to Subsection A, B or F of this

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1 section unless an application to return to work, on a form
2 prescribed by the board, has been submitted to, and approved
3 by, the board and the applicant has complied with such other
4 rules as promulgated by the board.

5 ~~[D.]~~ E. A retired member who returns to
6 employment pursuant to ~~[Subsections]~~ Subsection A, ~~[or]~~ B or
7 F of this section shall not make contributions to the fund as
8 specified in the Educational Retirement Act; however, the
9 local administrative ~~[unit's contributions as specified in~~
10 ~~that act shall be paid to the fund as]~~ unit employing the
11 retired member shall pay to the fund an amount equal to the
12 total of the member contributions and the local
13 administrative unit contributions that would be required
14 pursuant to Section 22-11-21 NMSA 1978 if the retired member
15 was a non-retired employee.

16 ~~[E.]~~ F. Beginning July 1, 2003 and continuing
17 until January 1, ~~[2012]~~ 2022, a retired member who retired on
18 or before January 1, 2001, ~~[and who has not been employed as~~
19 ~~an employee or independent contractor by]~~ who subsequently
20 voluntarily suspended or was required to suspend retirement
21 benefits and who has not rendered service to a local
22 administrative unit for at least ninety days may begin
23 employment at a local administrative unit without suspending
24 retirement benefits if the retired member was not employed by
25 a local administrative unit for an additional twelve or more

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1 consecutive months after the initial date of the retirement;
2 provided that the ninety-day period shall not include any
3 part of a summer or other scheduled break or vacation period.

4 G. Both the retired member who returns to
5 employment and the local administrative unit that employs the
6 retired member shall make contributions to the retiree health
7 care fund in the amount specified in Subsections A and B of
8 Section 10-7C-15 NMSA 1978.

9 H. As used in Subsections A and F of this
10 section:

11 (1) "rendered service to a local
12 administrative unit" includes employment by a local
13 administrative unit, whether full or part time; substitute
14 teaching; voluntarily performing duties for a local
15 administrative unit that would otherwise be, or in the past
16 have been, performed by a paid employee or independent
17 contractor; or performing duties for a local administrative
18 unit as an independent contractor or an employee of an
19 independent contractor; and

20 (2) "local administrative unit" includes any
21 entity incorporated, formed or otherwise organized by, or
22 subject to the control of a local administrative unit,
23 whether or not the entity is created for profit or nonprofit
24 purposes."

25 Section 25. Section 22-11-30 NMSA 1978 (being Laws

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1 1967, Chapter 16, Section 153, as amended) is amended to
2 read:

3 "22-11-30. RETIREMENT BENEFITS.--

4 A. Retirement benefits for a member retired
5 pursuant to the Educational Retirement Act on or before
6 June 30, 1967 shall be paid monthly and shall be one-twelfth
7 of a sum equal to one and one-half percent of the first four
8 thousand dollars (\$4,000) of the member's average annual
9 salary and one percent of the remainder of the member's
10 average annual salary multiplied by the number of years of
11 the member's total service credit.

12 B. Retirement benefits for a member retired
13 pursuant to the Educational Retirement Act on or after
14 July 1, 1967 but on or before June 30, 1971 shall be paid
15 monthly and shall be one-twelfth of a sum equal to one and
16 one-half percent of the first six thousand six hundred
17 dollars (\$6,600) of the member's average annual salary and
18 one percent of the remainder of the member's average annual
19 salary multiplied by the number of years of the member's
20 total service credit.

21 C. Retirement benefits for a member retired
22 pursuant to the Educational Retirement Act on or after
23 July 1, 1971 but on or before June 30, 1974 shall be paid
24 monthly and shall be one-twelfth of a sum equal to one and
25 one-half percent of the member's average annual salary

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1 multiplied by the number of years of the member's total
2 service credit.

3 D. Retirement benefits for a member retired
4 pursuant to the Educational Retirement Act on or before
5 June 30, 1974 but returning to employment on or after July 1,
6 1974 for a cumulation of one or more years shall be computed
7 pursuant to Subsection E of this section. Retirement
8 benefits for a member retired pursuant to the Educational
9 Retirement Act on or before June 30, 1974 but returning to
10 employment on or after July 1, 1974 for a cumulation of less
11 than one year shall be computed pursuant to Subsection A of
12 this section if [~~his~~] the member's date of last retirement
13 was on or before June 30, 1967 or pursuant to Subsection B of
14 this section if [~~his~~] the member's date of last retirement
15 was on or after July 1, 1967 but not later than June 30, 1971
16 or pursuant to Subsection C of this section if [~~his~~] the
17 member's date of last retirement was on or after July 1, 1971
18 but not later than June 30, 1974.

19 E. Retirement benefits for a member age sixty or
20 over, retired pursuant to the Educational Retirement Act on
21 or after July 1, 1974 but not later than June 30, 1987, shall
22 be paid monthly and shall be one-twelfth of a sum equal to:

23 (1) one and one-half percent of the member's
24 average annual salary multiplied by the number of years of
25 service credit for:

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1 (a) prior employment; and
2 (b) allowed service credit for service
3 performed prior to July 1, 1957, except United States
4 military service credit purchased pursuant to Paragraph (3)
5 of Subsection A of Section 22-11-34 NMSA 1978; plus

6 (2) two percent of the member's average
7 annual salary multiplied by the number of years of service
8 credit for:

9 (a) contributory employment;
10 (b) allowed service credit for service
11 performed after July 1, 1957; and

12 (c) United States military service
13 credit for service performed prior to July 1, 1957 and
14 purchased pursuant to Paragraph (3) of Subsection A of
15 Section 22-11-34 NMSA 1978.

16 F. Retirement benefits for a member age sixty or
17 over, retired pursuant to the Educational Retirement Act on
18 or after July 1, 1987 but not later than June 30, 1991, shall
19 be paid monthly and shall be one-twelfth of a sum equal to
20 two and fifteen hundredths percent of the member's average
21 annual salary multiplied by the number of years of the
22 member's total service credit; provided that this subsection
23 shall not apply to any member who was retired in any of the
24 four quarters ending on June 30, 1987 without having
25 accumulated not less than 1.0 years earned service credit

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1 after June 30, 1987.

2 G. Retirement benefits for a member age sixty or
 3 over, retired pursuant to ~~[the Educational Retirement Act]~~
 4 Section 22-11-23 NMSA 1978 on or after July 1, 1991, shall be
 5 paid monthly and shall be one-twelfth of a sum equal to two
 6 and thirty-five hundredths percent of the member's average
 7 annual salary multiplied by the number of years of the
 8 member's total service credit; provided that this subsection
 9 shall not apply to any member who was retired in any of the
 10 four consecutive quarters ending on June 30, 1991 without
 11 having accumulated at least one year earned service credit
 12 beginning on or after July 1, 1991.

13 H. Retirement benefits for a member, retired
 14 pursuant to Section 22-11-23.1 NMSA 1978, shall be paid
 15 monthly and shall be one-twelfth of a sum equal to two and
 16 thirty-five hundredths percent of the member's average annual
 17 salary multiplied by the number of years of the member's
 18 total service credit; provided that the benefit for a member
 19 retiring pursuant to Paragraph (3) of Subsection A of Section
 20 22-11-23.1 NMSA 1978 shall be reduced by:

21 (1) six-tenths of one percent for each one-
 22 fourth, or portion thereof, year that retirement occurs prior
 23 to the member's sixty-fifth birthday but after the sixtieth
 24 birthday; and

25 (2) one and eight-tenths percent for each

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1 one-fourth, or portion thereof, year that retirement occurs
2 prior to the member's sixtieth birthday.

3 [H.] I. A member's average annual salary,
4 pursuant to this section, shall be computed on the basis of
5 the last five years for which contribution was made or upon
6 the basis of any consecutive five years for which
7 contribution was made by the member, whichever is higher;
8 provided, however:

9 (1) if the salary paid in any year beginning
10 on or after July 1, 2010 exceeds that of the previous year by
11 more than thirty-five percent:

12 (a) the amount in excess of thirty-
13 five percent shall be excluded in the computation of average
14 annual salary; and

15 (b) the salary, as adjusted to exclude
16 any increase over the thirty-five percent limitation, shall
17 be used to determine if the salary paid in the subsequent
18 year exceeds the thirty-five percent limitation; and

19 (2) lump-sum payments made after July 1,
20 2010 of accrued sick leave or annual leave shall be excluded
21 from the calculation of salary.

22 J. Unless otherwise required by the provisions of
23 the Internal Revenue Code of 1986, members shall begin
24 receiving retirement benefits by age seventy and six months,
25 or upon termination of employment, whichever occurs later."

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1 Section 26. Section 22-11-34 NMSA 1978 (being Laws
2 1967, Chapter 16, Section 157, as amended) is amended to
3 read:

4 "22-11-34. ALLOWED SERVICE CREDIT.--

5 A. A member shall be certified to have acquired
6 allowed service credit pursuant to the Internal Revenue Code
7 of 1986 for those periods of time when ~~[he]~~ the member was:

8 (1) employed prior to July 1, 1967 in a
9 federal educational program within New Mexico, including
10 United States Indian schools and civilian conservation corps
11 camps. This service credit shall be allowed without
12 contribution;

13 (2) engaged in military service that
14 interrupted ~~[his]~~ the member's employment in New Mexico if
15 ~~[he]~~ the member returned to ~~[his]~~ employment within eighteen
16 months following honorable discharge. This service credit
17 shall be allowed without contribution;

18 (3) engaged in United States military
19 service or the commissioned corps of the public health
20 service from which ~~[he]~~ the member was honorably discharged
21 ~~[if he contributes to the fund a sum equal to ten and one-~~
22 ~~half percent of his average annual salary for that period of~~
23 ~~time for which he has acquired earned service credit pursuant~~
24 ~~to the Educational Retirement Act and subject to the federal~~
25 ~~Uniformed Services Employment and Reemployment Rights Act of~~

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1 ~~1994 for each year of service credit he desires to purchase.~~
2 ~~Average annual salary shall be determined in accordance with~~
3 ~~rules promulgated by the board but shall always be based on~~
4 ~~actual salaries earned by the member where the actual~~
5 ~~salaries can be ascertained by the board. The employer's~~
6 ~~contributions for service credit shall not be paid by the~~
7 ~~employer. The purchase of service credit provided in this~~
8 ~~section shall be carried out by the member within three years~~
9 ~~after the date of the member's employment following service;~~
10 ~~or]; provided that:~~

11 (a) the member shall have five years
12 or more of contributory employment to be eligible to purchase
13 allowed service credit pursuant to this paragraph;

14 (b) the member shall contribute to the
15 fund, for each year of service credit the member elects to
16 purchase, a sum equal to the member's average annual actual
17 salary for the five years preceding the date of the
18 contribution multiplied by the sum of the member contribution
19 rate and the employer contribution rate in effect at the time
20 of the member's written election to purchase, subject to the
21 federal Uniformed Services Employment and Reemployment Rights
22 Act of 1994;

23 (c) full payment shall be made in a
24 single lump sum within sixty days of the date that the member
25 is informed of the amount of the payment; and

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underscoring material = new
[bracketed material] = delete

1 (d) the portion of the purchase cost
 2 derived from the employer's contribution rate shall be
 3 credited to the fund and, in the event that a member requests
 4 a refund of contributions pursuant to Section 22-11-15 NMSA
 5 1978, the member shall not be entitled to a refund of that
 6 portion of the purchase cost derived from the employer
 7 contribution rate; or

8 (4) employed:

9 (a) in a public school or public
 10 institution of higher learning in another state, territory or
 11 possession of the United States;

12 (b) in a United States military
 13 dependents' school operated by a branch of the armed forces
 14 of the United States;

15 (c) as provided in Paragraph (1) of
 16 this subsection after July 1, 1967; or

17 (d) in a private school or institution
 18 of higher learning in New Mexico whose education program is
 19 accredited or approved by the [~~state board~~] department at the
 20 time of employment.

21 B. Effective July 1, 2001, the member or employer
 22 under Paragraph (4) of Subsection A of this section shall
 23 contribute to the fund for each year of allowed service
 24 credit desired an amount equal to the actuarial value of the
 25 service purchased as defined by the board. Payment pursuant

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1 to Paragraph (4) of Subsection A of this section may be made
2 in installments, at the discretion of the board, over a
3 period not to exceed one year and, if the sum paid does not
4 equal the amount required for any full year of allowed
5 service credit, the member shall acquire allowed service
6 credit for that period of time that is proportionate to the
7 payment made. Half credit may be allowed without
8 contribution for not more than ten years of the educational
9 service described by Subparagraph (a) of Paragraph (4) of
10 Subsection A of this section if that service was prior to
11 June 13, 1953 and if the member was employed in New Mexico
12 prior to June 13, 1953 in a position covered by the
13 Educational Retirement Act or a law repealed by that act. No
14 allowed service credit shall be purchased pursuant to
15 Paragraph (4) of Subsection A of this section unless the
16 member is currently employed by a local administrative unit.

17 C. No member shall be certified to have acquired
18 allowed service credit:

19 (1) under any single paragraph or the
20 combination of only Paragraphs (1) and (4) or only Paragraphs
21 (2) and (3) of Subsection A of this section in excess of five
22 years; or

23 (2) in excess of ten years for any other
24 combination of Paragraphs (1) through (4) of Subsection A of
25 this section.

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[bracketed material] = delete

1 D. A member receiving service credit under
 2 Paragraph (3) or (4) of Subsection A of this section who
 3 enrolls in the retiree health care authority shall make
 4 contributions pursuant to Subsection C of Section 10-7C-15
 5 NMSA 1978.

6 ~~[D-]~~ E. The provisions of this section are made
 7 applicable to the services described prior to as well as
 8 after the effective date of the Educational Retirement Act."

9 Section 27. TEMPORARY PROVISION--RETIREMENT SYSTEMS
 10 SOLVENCY TASK FORCE--CREATION--DUTIES--REPORT.--

11 A. The "retirement systems solvency task force"
 12 is created. The task force consists of twenty-five members
 13 as follows:

14 (1) the director of the public employees
 15 retirement association and a member of the public employees
 16 retirement board, selected by the board;

17 (2) the educational retirement director and
 18 a member of the educational retirement board, selected by the
 19 board;

20 (3) the director of the retiree health care
 21 authority and a member of the board of the retiree health
 22 care authority, selected by the board;

23 (4) one member from each of the following
 24 organizations that represent members of the public employees
 25 retirement association or members under the Educational

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1 Retirement Act:

2 (a) the American federation of state,
3 county and municipal employees;

4 (b) the communications workers of
5 America;

6 (c) the international association of
7 firefighters;

8 (d) the fraternal order of police;

9 (e) the national education
10 association; and

11 (f) the American federation of
12 teachers;

13 (5) the chair and vice chair of the interim
14 investments and pensions oversight committee; provided that,
15 if that interim committee is not created, then the New Mexico
16 legislative council shall appoint the chair and vice chair of
17 the appropriate interim committee;

18 (6) a representative of the New Mexico
19 municipal league;

20 (7) a representative of the New Mexico
21 association of counties;

22 (8) two majority party members and one
23 minority party member of the house of representatives,
24 appointed by the New Mexico legislative council;

25 (9) two majority party members and one

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1 minority party member of the senate, appointed by the New
2 Mexico legislative council; and

3 (10) three members appointed by the
4 governor, at least one of whom shall be experienced in
5 financial investing of pension funds.

6 B. The chair of the task force shall be elected
7 by the task force. The task force shall meet at the call of
8 the chair.

9 C. The public members of the task force shall
10 receive per diem and mileage pursuant to the Per Diem and
11 Mileage Act.

12 D. The legislative council service, with
13 assistance from the legislative finance committee, the public
14 employees retirement association, the educational retirement
15 association and the retiree health care authority, shall
16 provide staff for the task force.

17 E. The task force shall study the actuarial
18 soundness and solvency of the retirement plans of the public
19 employees retirement association and the educational
20 retirement association and the health care plan of the
21 retiree health care authority and prepare a solvency plan for
22 each entity. The solvency plans shall include analyses and
23 recommendations that address:

24 (1) employer and employee contributions;

25 (2) retirement eligibility;

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- 1 (3) the number of retirement plans;
- 2 (4) retirement benefits;
- 3 (5) investment policy and asset allocation;
- 4 (6) disability retirement and benefits;
- 5 (7) actuarial assumptions;
- 6 (8) health insurance plan benefits and
- 7 eligibility;
- 8 (9) the costs of health insurance plans; and
- 9 (10) member services.

10 F. The solvency plans and recommendations shall
11 be submitted, no later than October 1, 2009, to the interim
12 investments and pensions oversight committee or other
13 appropriate interim committee, the legislative finance
14 committee and the governor.

15 Section 28. REPEAL.--Sections 10-11-26.4, 10-11-30,
16 10-11-38.4, 10-11-47, 10-11-53, 10-11-55.4, 10-11-55.10,
17 10-11-59, 10-11-65, 10-11-71, 10-11-77, 10-11-83, 10-11-89,
18 10-11-95, 10-11-101, 10-11-107, 10-11-113 and 10-11-115.4
19 NMSA 1978 (being Laws 1994, Chapter 128, Section 5, Laws
20 1987, Chapter 253, Section 30, Laws 1994, Chapter 128,
21 Section 12, Laws 1987, Chapter 253, Sections 47 and 53, Laws
22 1993, Chapter 58, Section 4, Laws 1998, Chapter 106, Section
23 4, Laws 1987, Chapter 253, Sections 59, 65, 71, 77, 83, 89,
24 95, 101, 107 and 113 and Laws 2003, Chapter 268, Section 5,
25 as amended) are repealed.

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1 Section 29. EFFECTIVE DATES.--

2 A. The effective date of the provisions of
3 Sections 1 through 5, 19, 21, 24 and 26 of this act is July
4 1, 2009.

5 B. The effective date of the provisions of
6 Sections 6 through 18, 20, 22, 23, 25 and 28 of this act is
7 July 1, 2010.

8 Section 30. EMERGENCY.--It is necessary for the public
9 peace, health and safety that this act take effect
10 immediately.

underscoring material = new
~~[bracketed material]~~ = delete